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02/25/02

EX PARTE NOTICE

Mr. William F. Canton, Acting Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Request for Independent ILECs and Independent ILEC Associations to
Supplement the Existing Record in CC Docket No. 00-175.

Dear Mr. Canton,

At the request of the Commission, on February 22, 2002, Diane Smith, Senior Vice President for Federal Government Affairs, ALLTEL Corporation, and David Bartlett, Assistant Vice President for Federal Regulatory Affairs, also representing ALLTEL Corporation, met with Claudia Pabo, Brad Koerner, and Pam Megna of the Common Carrier Bureau to discuss the Separate Affiliate Requirements of Section 64.1903 of the Commission's Rules and its impact on Independent ILECs.

The ALLTEL representatives discussed the wide variety of service territories and services ALLTEL offers. These include wireline markets with no wireless overlap, wireline markets with wireless overlap and wireless markets with no wireline overlap. The disparity in these markets results in inefficiencies from safeguards such as the separate affiliate requirement. The separate affiliate requirement prevents optimal deployment of facilities using forward-thinking network design.

The ALLTEL representatives stressed that in the internet-age, safeguards must be simple, straightforward, and easily translated to employees of many backgrounds, including technical, marketing, customer service, etc. Safeguards that are difficult to understand or that layer upon one another (i.e., Part 64 and separate affiliate rules) unnecessarily impede efficient communications.

The representatives also fielded questions regarding cellular to long distance interconnection and the various methods by which wireless carriers can interconnect to the switched access network of IXC's and ILECs. The question of whether independent ILECs are allowed, under the current limitations of the separate affiliate rules, to offer packages of local and long distance services, similar to those offered by CMRS was raised. Current rules governing cost allocation requirements ensure that the costs of joint-owned or jointly-used facilities that are attributable to interexchange services would be allocated to non-regulated activity in the Part 64 cost allocation process.

